

Journal

Office of Legislative Counsel

Tuesday - 8 February 1955

25X1A

- - - -

1. The Comptroller, Mr. Saunders, and Budget Officer, [redacted] and I met this morning with Gordon Nease, of the staff of the Senate Appropriations Committee, as has been customary in the past, to inform Mr. Nease of the placement of the CIA budget. Mr. Nease stated that he had not yet received any Committee request for the information, but wished to have it available if such request were forthcoming. He has had no indication as to what type of hearing, if any, CIA may have on its budget, but felt that the hearings would be delayed until the completion of House action. He asked that we continue to keep him advised of any major change in the budget which the House might make, which we agreed to do.

Mr. Saunders raised the possibility that CIA might desire to put all its budget on a "no year" basis, and Mr. Nease thought that that would prove to be extremely difficult insofar as securing Committee approval is concerned.

2. In the course of our discussion with Mr. Nease, we informed him of the possibility that we might seek funds for the construction of a new CIA building. The comments which Mr. Nease made in response to our request for his thoughts in this matter were purely his personal thoughts and did not reflect any direct information which Mr. Nease might have. It was his thought that the request for our appropriation would probably be included in the Military Construction Bill, and as the authorization for such construction is always sent to the Capitol at the last minute, this appropriation measure is one of the last to be considered. (This is helpful from the standpoint of timing.)

It was Mr. Nease's opinion that we should go for direct appropriation, as he could see no advantage, and considerable disadvantage, to attempting appropriation through lease-purchase. He stressed his concurrence in our thought that we should attempt to seek an open appropriation, pointing out that our greatest criticism on Capitol Hill arose out of charges that no one knew what CIA was doing, and that nothing could be

gained by hiding the building appropriation if there were not overriding security considerations. Mr. Nease did not appear to disapprove of the possibility that the appropriation for the building might come from already appropriated funds which were about to lapse. He pointed out that this would merely require the use of a simple phrase in the construction bill somewhat along the lines that "for the purpose of construction a building, CIA is authorized to expend \$ \_\_\_\_\_ from funds already appropriated to it." Mr. Nease pointed out that this would have the added advantage of letting people know that we did not utilize all the money appropriated to us, but in fact turned some back as savings. He also pointed out that the present thinking of the House Appropriations Committee was to allocate the Army-Navy-Air Force construction funds for hearings before the separate Army and Navy and Air Force sub-subcommittees of the House Armed Services Appropriations Subcommittee rather than to a separate Military Construction Subcommittee as in the past. However, in the Senate they may still have the special Military Construction Subcommittee. As Mr. Mahon (D., Tex.) is Chairman of the Air Force sub-subcommittee of the House Armed Services Appropriations Subcommittee, with Mr. Scrivner as its ranking Republican, this would be helpful to CIA in view of the fact that our authorization is in Air Force construction.

(cc - DD/S)

3. In connection with the resignation of Prime Minister Malenkov, Sen. Humphrey (D., Minn.) called for creation of a special Senate Foreign Relations Subcommittee to keep abreast of the latest information from all available sources on Soviet strategy. He criticized the Administration's intelligence facilities for not having advance indications of the shakeup in the Soviet premiership.